

FORCE ACCOUNT LABOR

LOUISIANA DEPARTMENT OF HEALTH AND HOSPITALS • OFFICE OF PUBLIC HEALTH

Force Account Labor means that an entity performs construction work “in-house” using its own employees instead of contracting out the work. It is often advantageous for a public entity to use force account labor to expedite construction and eliminate the time and expense associated with advertising, bidding and award of a construction contract; however, it may only be used when it is appropriate to do so and allowed by Louisiana’s Public Bid Law. The Public Bid Law requirements, which are only applicable to publicly-owned utilities, allows force account labor when the estimated cost of the work (including both labor and materials) is less than the contract limit of \$150,000. The law also prohibits separating the work into smaller segments in order to circumvent the contract limit. Private entities do not have to meet this Contract Limit requirement.

REQUIREMENTS FOR USE OF FORCE ACCOUNT LABOR

Because it is possible for an entity to undertake a project using force account labor and inappropriately use funds and/or not conform with Public Bid Law, an applicant (public or private entities) wishing to use force account labor must submit a request to do so that includes the following information:

- A description of the work to be performed with force account labor;
- The estimated cost of the work including labor and materials;
- The reason why force account labor is appropriate (lower cost, expedited construction time, etc.);
- A statement that “the persons that will perform the work are current employees of the applicant (and not day labor or contract employees)”. This is a required assurance regarding the Davis-Bacon Act.

Once a request for use of force account labor has been approved, the documentation that must be collected and submitted with each payment request involving reimbursement for force account labor includes, but is not limited to, the following:

- Copies of force account employee payrolls strictly associated with only the DWRLF-funded project and clearly identifying who is being paid, the dates they are being paid for working on the project, their pay rate, and the type of work/labor being performed (i.e. supervisor/laborer for replacing distribution system piping).
- Copies of timesheets for all force account employees for **BOTH** their work on the DWRLF-funded project and their work done for the water system as part of their normal duties. This is required to ensure that their time is clearly separated.
- Copies of payment checks made to force account employees (if needed for further verification).
- A signed Certification Statement from the water system to be submitted with each payment request that includes force account labor that clearly states:
“DWRLF funds were not used to pay employees for normal water system duties. DWRLF funds were only used to pay the water system’s force account employees for their work performed solely on the DWRLF-funded project.”

CHANGES TO THE WORK

Work done using force account labor is not considered a construction contract and therefore addenda and change orders are not applicable. In the event of changes that affect either the design or the cost of the work, revisions to the plans and specifications showing the revised design and/or materials must be submitted for approval. Construction inspections and approval of progress payments will be based on work shown on the latest plans and specifications approved by the DWRLF. Large increases in cost may result in revocation of approval for force account labor if the contract limit is exceeded.

DAVIS BACON ACT REQUIREMENTS

According to CFR Title 29, Part 5, Davis Bacon Act requirements would NOT apply to Force Account Labor as long as there is NO CONTRACT for the work to be performed by Force Account Labor that would exceed \$2000.